

## Mission Statements for the High-End Shoe Industry

**ALLEN-EDMONDS**

Allen-Edmonds provides high-quality shoes for the affluent consumer who appreciates a well-made, finely crafted, stylish dress shoe.

**BALLY**

Bally shoes set you apart. They are the perfect shoe to complement your lifestyle. Bally shoes project an image of European style and elegance that ensures one is not just dressed, but well dressed.

**BOSTONIAN**

Bostonian shoes are for those successful individuals who are well-traveled, on the "go" and want a stylish dress shoe that can keep up with their variety of needs and activities. With Bostonian, you know you will always be well dressed whatever the situation.

**COLE-HAHN**

Cole-Hahn offers a line of contemporary shoes for the man who wants to go his own way. They are shoes for the urban, upscale, stylish man who wants to project an image of being one step ahead.

**FLORSHEIM**

Florsheim shoes are the affordable classic men's dress shoes for those who want to experience the comfort and style of a solid dress shoe.

**JOHNSTON & MURPHY**

Johnston & Murphy is the quintessential business shoe for those affluent individuals who know and demand the best.

Source: "Thinking on Your Feet, the Johnston & Murphy Guerrilla Marketing Competition" (Johnston & Murphy, a GENESCO Company).

*Customers*

"The customer is our top priority" is a slogan that would be claimed by the majority of businesses in the United States and abroad. For companies including Caterpillar Tractor, General Electric, and Johnson & Johnson this means analyzing consumer needs before as well as after a sale. The bonus plan at Xerox allows for a 40 percent annual bonus, based on high customer reviews of the service that they receive, and a 20 percent penalty if the feedback is especially bad. For these firms and many others, the overriding concern for the company has become consumer satisfaction.

In addition many U.S. firms maintain extensive product safety programs to help ensure consumer satisfaction. GE, Sears, and 3M boast of such programs. Other firms including Calgon Corporation, Amoco, Mobil Oil, Whirlpool, and Zenith provide toll-free telephone lines to answer customer concerns and complaints.

The focus on customer satisfaction is demonstrated by retailer JCPenney in this excerpt from its statement of philosophy: "The Penney Idea is (1) To serve the public as nearly as we can to its complete satisfaction; (2) To expect for the service we render a fair remuneration, and not all the profit the traffic will bear; (3) To do all in our power to pack the customer's dollar full of value, quality, and satisfaction."

A focus on customer satisfaction causes managers to realize the importance of providing quality customer service. Strong customer service initiatives have led some firms to gain competitive advantages in the marketplace. Hence, many corporations have made the customer service initiative a key component of their corporate mission.

*Quality*

"Quality is job one!" is a rallying point not only for Ford Motor Corporation but for many resurging U.S. businesses as well. Two U.S. management experts fostered a worldwide emphasis on quality in manufacturing. W. Edwards Deming and J. M. Juran's messages were first embraced by Japanese managers, whose quality consciousness led to global dominance in several industries including automobile, TV, audio equipment, and electronic

## Visions of Quality

### CADILLAC

The Mission of the Cadillac Motor Company is to engineer, produce, and market the world's finest automobiles known for uncompromised levels of distinctiveness, comfort, convenience, and refined performance. Through its people, who are its strength, Cadillac will continuously improve the quality of its products and services to meet or exceed customer expectations and succeed as a profitable business.

### MOTOROLA

Dedication to quality is a way of life at our company, so much so that it goes far beyond rhetorical slogans. Our ongoing program is one of continued improvement reaches out for change, refinement, and even revolution in our pursuit of quality excellence.

It is the objective of Motorola Inc. to produce and provide products and services of the highest quality. In its activities, Motorola will pursue goals aimed at the achievement of quality excellence. These results will be derived from the dedicated efforts of each employee in conjunction with supportive participation from management at all levels of the corporation.

### ZYTEC

Zytec is a company that competes on value; is market driven; provides superior quality and service; builds strong relationship with its customers; and provides technical excellence in its products.

components manufacturing. Deming summarizes his approach in 14 now well-known points:

1. Create constancy of purpose.
2. Adopt the new philosophy.
3. Cease dependence on mass inspection to achieve quality.
4. End the practice of awarding business on price tag alone. Instead, minimize total cost, often accomplished by working with a single supplier.
5. Improve constantly the system of production and service.
6. Institute training on the job.
7. Institute leadership.
8. Drive out fear.
9. Break down barriers between departments.
10. Eliminate slogans, exhortations, and numerical targets.
11. Eliminate work standards (quotas) and management by objective.
12. Remove barriers that rob workers, engineers, and managers of their right to pride of workmanship.
13. Institute a vigorous program of education and self-improvement.
14. Put everyone in the company to work to accomplish the transformation.

Firms in the United States responded aggressively. The new philosophy is that quality should be the norm. For example, Motorola's production goal is 60 or fewer defects per every billion components that it manufactures.

Exhibit 2.9, Strategy in Action, presents the integration of the quality initiative into the mission statements of three corporations. The emphasis on quality has received added emphasis in many corporate philosophies since the Congress created the Malcolm Baldrige Quality Award. Each year up to two Baldrige Awards can be given in three categories of a company's operations: manufacturing, services, and small businesses.

## Examples of Vision Statements

**ALLIANCE CORPORATE VISION**

Alliance is the most innovative and feature rich ACH processing platform available to client originators today and will remain on the cutting edge for electronic funds transfer services.

**AMD CORPORATE VISION**

A connected global population.

**CUTCO CORPORATE VISION**

To become the largest, most respected and widely recognized cutlery company in the world.

**FEDERAL EXPRESS CORPORATE VISION**

Our vision is to change the way we all connect with each other in the New Network Economy.

**FIRSTENERGY CORPORATE VISION**

FirstEnergy will be a leading regional energy provider, recognized for operational excellence and service; the choice for long-term growth, investment, value and financial strength; and a company committed to safety

and driven by the leadership, skills, diversity, and character of its employees.

**FORD MOTOR COMPANY CORPORATE VISION**

Ford Motor Company's vision is to become the world's leading consumer company for automotive products and services.

**GENERAL ELECTRIC CORPORATE VISION**

We bring good things to life.

**MAGNA CORPORATE VISION**

Magna's corporate vision is to provide world class services that help maximize the customers ROI (Return on Investment) and promote teamwork and creativity. The company strongly believes in the corporate philosophy of fulfilling its commitments to its customers.

**MICROSOFT CORPORATE VISION**

Microsoft's vision is to enable people and businesses throughout the world to realize their full potential.

*Vision Statement***vision statement**

A statement that presents a firm's strategic intent designed to focus the energies and resources of the company on achieving a desirable future.

Whereas the mission statement expresses an answer to the question "What business are we in?" a company **vision statement** is sometimes developed to express the aspirations of the executive leadership. A vision statement presents the firm's strategic intent that focuses the energies and resources of the company on achieving a desirable future. However, in actual practice, the mission and vision statement are frequently combined into a single statement. When they are separated, the vision statement is often a single sentence, designed to be memorable. For examples, see Exhibit 2.10, Strategy in Action.

**An Exemplary Mission Statement**

When BB&T merged with Southern Bank, the board of directors and officers undertook the creation of a comprehensive mission statement that was designed to include most of the topics that we discussed in this chapter. The company updated its statement and mailed the resulting booklet to its shareholders and other interested parties. The foreword to the document expresses the greatest values of such a public pronouncement and was signed by BB&T's chairman and CEO, John A. Allison:

In a rapidly changing and unpredictable world, individuals and organizations need a clear set of fundamental principles to guide their actions. At BB&T we know the content of our business will, and should, experience constant change. Change is necessary for progress. However, the context, our fundamental principles, is unchanging because these principles are based on basic truths.

BB&T is a mission-driven organization with a clearly defined set of values. We encourage our employees to have a strong sense of purpose, a high level of self-esteem and the capacity to think clearly and logically.

We believe that competitive advantage is largely in the minds of our employees as represented by their capacity to turn rational ideas into action towards the accomplishment of our mission.

The Chapter 2 Appendix presents BB&T's vision, mission, and purpose statement in its entirety. It also includes detailed expressions of the company's values and views on the role of emotions, management style, the management concept, attributes of an outstanding employee, the importance of positive attitude, obligations to its employees, virtues of an outstanding credit culture, achieving the company goal, the nature of a "world standard" revenue-driven sales organization, the nature of a "world standard" client service community bank, the company's commitment to education and learning, and its passions.

## BOARDS OF DIRECTORS

Who is responsible for determining the firm's mission? Who is responsible for acquiring and allocating resources so the firm can thoughtfully develop and implement a strategic plan? Who is responsible for monitoring the firm's success in the competitive marketplace to determine whether that plan was well designed and activated? The answer to all of these questions is strategic decision makers. Most organizations have multiple levels of strategic decision makers; typically, the larger the firm, the more levels it will have. The strategic managers at the highest level are responsible for decisions that affect the entire firm, commit the firm and its resources for the longest periods, and declare the firm's sense of values. In other words, this group of strategic managers is responsible for overseeing the creation and accomplishment of the company mission. The term that describes the group is **board of directors**.

### board of directors

The group of stockholder representatives and strategic managers responsible for overseeing the creation and accomplishment of the company mission.

In overseeing the management of a firm, the board of directors operates as the representatives of the firm's stockholders. Elected by the stockholders, the board has these major responsibilities:

1. To establish and update the company mission.
2. To elect the company's top officers, the foremost of whom is the CEO.
3. To establish the compensation levels of the top officers, including their salaries and bonuses.
4. To determine the amount and timing of the dividends paid to stockholders.
5. To set broad company policy on such matters as labor-management relations, product or service lines of business, and employee benefit packages.
6. To set company objectives and to authorize managers to implement the long-term strategies that the top officers and the board have found agreeable.
7. To mandate company compliance with legal and ethical dictates.

In the current business environment, boards of directors are accepting the challenge of shareholders and other stakeholders to become active in establishing the strategic initiatives of the companies that they serve.

This chapter considers the board of directors because the board's greatest impact on the behavior of a firm results from its determination of the company mission. The philosophy espoused in the mission statement sets the tone by which the firm and all of its employees will be judged. As logical extensions of the mission statement, the firm's objectives and strategies embody the board's view of proper business demeanor. Through its appointment of top executives and its decisions about their compensation, the board reveals its priorities for organizational achievement.